NATIONAL AUTOMATIC MERCHANDISING ASSOCIATION

Serving the Vending / Foodservice management industry

To The Interagency Committee on Smoking and Health

STATEMENT OF THE NATIONAL AUTOMATIC MERCHANDISING ASSOCIATION

ON BEHALF OF THE VENDING INDUSTRY DESCRIBING ITS ROLE IN THE PREVENTION OF CHILDREN'S ACCESS TO TOBACCO PRODUCTS

By

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Source: https://www.industrydocuments.ucsf.edu/docs/hzmm0000

Madam Chairman Novello and distinguished members of the Interagency Committee on Smoking and Health, my name is Richard W. Funk and I am Chief Counsel of the National Automatic Merchandising Association. The National Automatic Merchandising Association is the national trade association of the merchandise vending business. 1200 companies which belong to our association operate merchandise vending machines and of these, more than 850 sell cigarettes through vending machines. They strongly support efforts to prevent children's and teens' access to tobacco products.

Vending machines are the least likely source of cigarettes for smokers ages 13 through 17. A variety of studies and other data support this finding.

Retail cigarette merchandising establishes the following patterns:

- The sale of cigarettes through vending machines represents 3.5% of the total market

- There are approximately 375,000 cigarette vending machines on location nationally, 80 per cent of which are located where persons under the age of 18 are not allowed access or rarely frequent

- 28 per cent of smokers aged 13 through 17 do not purchase cigarettes, but get them from friends and family

- Almost half (45%) of teenage smokers are permitted by their parents to purchase cigarettes.

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A study underwritten by us conducted by the independent market research firm Response Research, Inc. headquartered at Chicago, Illinois in June and July, 1989 analyzing teenage smoking and purchasing behavior (persons 13 through 17 years of age) showed that frequent purchasers of cigarettes rely much more on over-the-counter sources than on vending machines. Almost two-thirds of the frequent purchasers (64%) buy over-the-counter often whereas only one in eleven (9%) buys often from vending machines. Those who purchase over-the-counter often or occasionally cited four locations as the ones they go to most frequently: convenience stores (43%), gas stations (29%), grocery stores (11%) and drug stores (6%). A summary of this report is attached to this statement.

A nation-wide cigarette vending machine placement study was conducted in March, 1986 among the then 1,000 or so N A M A member companies who operated cigarette vending machines. 590 replied to the questionnaire asking where their cigarette vending machines were located. The survey covered virtually every state. The study showed that about 8 out of 10 cigarette vending machines are located where teenagers are not allowed or rarely frequent.

Bars, Cocktail Lounges	31%	OTHER LOCATIONS	
Industrial Plants	27%	Restaurants	13%
Offices	12%	Service Stations, Government-Military, Retail Stores, Transportation Terminals, Rec.-Bowling Centers, Misc.	9.5%
Hotels/Motels	4%		
Universities/Colleges	3.5%		
TOTAL	77.5%		22.5%

These figures are confirmed by similar more recent individual state studies. For example, a 1988 survey in the state of Michigan totaling 4,048 machines, showed

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that 95.6% of these machines are located in places where minors are not allowed or are well supervised. This survey included more than half of all licensed cigarette machines in Michigan. In 1988 only 3,494 new cigarette vending machines were shipped to purchasers nationally. This is down from 32,065 machines shipped in 1976, most if not all no longer on location.

We submit that this data clearly supports the view that cigarette vending machines are the least likely retail source of cigarettes for persons ages 13 through 17.

Despite this data, the vending industry has long recognized its responsibility of preventing minors' purchasing cigarettes through vending machines. As early as 1962 the industry was asked to follow a 6-step self-regulation program designed to prevent the purchase of cigarettes by minors from vending machines. This program is constantly brought to the attention of N A M A members and operators of cigarette vending machines who are not members through collateral groups. These six steps, first adopted 27 years ago, are as follows:

Each vending machine operator should:

1. *Survey* his entire cigarette operation to determine the location of those *machines to which minors are likely to have access.*
2. *Post "Minors are Forbidden" warning decals* conspicuously on all machines.
3. Post on each machine the *name, address, and phone number of the operator.*

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4. Solicit the *location owner's cooperation to prevent minors from purchasing* from machines to which minors have access. *Reposition machines, where necessary*, to assure adequate supervision.

5. *Remove machines from locations* where the sales of cigarettes to minors cannot be prevented.

6. *Cooperate with competitors to achieve area-wide compliance* of preventing the purchase of cigarettes by minors from vending machines. (As part of this step, establish local *group* liaison with police officials and offer cooperation in the enforcement of "sales to minors" laws).

As is evident from the Response Research study, cigarette vending machines have no discernable influence on teenagers' smoking. Whether parents smoke is the most important influence on teenagers' smoking habits along with peers and other family members.

But as the Response Research study shows, most sales of cigarettes to minors are made over-the-counter and not by means of vending machines. Since most of the fifty states already have on their books laws which prohibit the sale of tobacco products to minors (a compilation is attached) it seems that the basic avenue of prevention is the rigorous enforcement of these laws, not the singling out of a particular method of retailing. The vending industry supports rigorous enforcement. However, these laws that prohibit the sale of tobacco products to minors, generally under the age of 18, have been on the books for decades with little actual enforcement. Past experience seems to dictate that the enforcement level will probably remain where it is.

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Therefore, we feel that the major deterrent to preventing access is to eliminate the demand. Parental and school influence is the necessary ingredient to discourage youngsters from beginning to smoke. Once the habit is adopted, strict law enforcement will likely prove ineffective. Education is the key, starting in the home. As has been pointed out, study after study shows that the major influence on teenagers as to whether they begin smoking is whether their parents smoke and what are their close peer groups doing.

The only other alternative is the suppression of retail sales of cigarettes to anyone, a position that few seriously advocate. Tobacco began with the birth of the colonization of America. Its roots are deep in our society - too late to prohibit its farming or use.

The vending industry continues to recognize its responsibilities through self regulation (even though the vast majority of our machines is located where teenagers do not have access to them and the current Response Research study shows that few teenagers purchase from vending machines). The vending industry took the lead voluntarily over 27 years ago to prevent teenagers from buying cigarettes. It stands ready to continue to cooperate with all groups to make sure that its record of responsible conduct and compliance with established laws is maintained in fact and in spirit.

Thank you for this opportunity to express our views.

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